

Office of the Governor

March 19, 2008

BLM Oil Shale and Tar Sands
Attn: Draft Programmatic EIS Comments
9700 South Cass Avenue
Argonne, IL 60439

To Whom It May Concern:

Thank you for the opportunity to comment on the Oil Shale and Tar Sands Programmatic Environmental Impact Statement (PEIS). Because I believe a careful, research-driven approach is the key to unlocking the energy potential of western oil shale, I support the "No Action" Alternative A at this time.

The technologies that may one day be used for large-scale, economical production of synfuels from oil shale are unproven and still unknown. Based on this lack of technological information, it is not feasible to make long-term policy decisions to manage this industry. Potential technologies and their impacts must be understood before oil shale leasing, lease-land allocations and Resource Management Plan modifications move forward.

The Energy Policy Act and current RD&D projects

Following the enactment of section 369 of the 2005 Energy Policy Act, the U.S. Congress charged the BLM with publishing final regulations for commercial oil shale leasing. Since then, noticeably less emphasis has been placed on oil shale commercialization, and a restriction has been put on Interior Department appropriations preventing the preparation or issuance of final oil shale commercial leasing regulations in fiscal year 2008. The state of Wyoming interprets these signals from Congress as an invitation to take a more deliberate, circumspect approach to oil shale – one which will allow private industry to continue research and development, and provide adequate time for public understanding of what future developments might entail.

The five Research, Development and Demonstration (RD&D) projects currently underway will serve as the foundation from which to identify technological hurdles, gauge economic viability, and assess socioeconomic and environmental impacts. Only if one or more of these 160-acre projects are proven economically and environmentally viable should the ramping up to commercial-scale operations be considered. Finally, the promulgation of regulations should await completion of the RD&D phase, in order to give states the necessary data and time to completely understand the risks.

Advantages of Alternative A over Alternatives B and C

Oil shale development has had a checkered past, and, if not undertaken cautiously and correctly this time, efforts at commercial development could be impeded for years to come. The state of Wyoming remembers well the results of the “Colony Project” and “Black Sunday” in the Colorado’s western slope communities. Between 1969 and 1979, the U.S. Department of Energy funded an in-situ fracturing and retort operation near Rock Springs. Efforts to remediate that operation are still ongoing.

Alternative A defers action, but it also does something very important for future oil shale development. It provides adequate time to identify a reserve, the synfuel that theoretically could be contained within the oil shale resource. Alternative A does this without attempting to describe the synfuel reserve. The PEIS has identified a tremendous oil shale resource in Wyoming and estimated billions of barrels of synfuel, but the reserve is governed by unknown technological, environmental, geological, socioeconomic, and economic constraints. Before a reserve is identified and quantified, potential impacts must be assessed. It would seem a peculiar use of time and money to allocate lands available for commercial leasing for an unknown synfuel reserve, especially when there is no known technology to recover the energy reserves.

Alternatives B and C both intersect with Adobe Town, an area in south central Wyoming that was recently designated by the Wyoming Environmental Quality Council (EQC) as “Very Rare or Uncommon.” Once this designation is finalized under Wyoming Statute 35-11-112 (a) (v) and Chapter 7 of the Rules of Practice and Procedure rules by the Environmental Quality Council, development in the Adobe Town area for oil shale and gravel development will be subject to state regulation. Specifically, non-coal mining will be limited by the Director of the Department of Environmental Quality under Wyoming Statute 35-11-406 (m) (iv) if the proposed mining operation would irreparably harm, destroy, or materially impair Adobe Town.

Conclusion

I appreciate your consideration of these comments and urge the selection of Alternative A in the PEIS. I firmly believe that it is the best option for both the state and the future of oil shale development. It is worth underscoring once again that Alternative A would still allow the five RD&D leases to operate, which if any of the projects prove

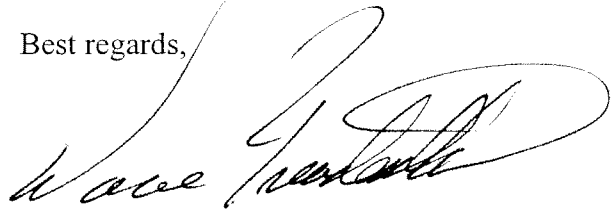
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viable, could result in both commercial-scale development and data sets that would clarify the still-uncertain impacts.

Best regards,

A handwritten signature in black ink, appearing to read "Dave Freudenthal", with a large, stylized flourish at the end.

Dave Freudenthal
Governor

DF:pjb

c: Senator Mike Enzi
Senator John Barrasso
Representative Barbara Cubin
Governor Bill Ritter, Colorado
Governor Jon Huntsman, Utah